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GOVERNMENT OF PUNJAB
DEPARTMENT OF LOCAL GOVERNMENT

(LG-3 Branch)

NOTIFICATION

The 5th June, 2025

No: 3/1/21-1lg3/786.- The Government of India has mandated that to avail additional borrowing limit of 0.25% of GSDP and to avail the funding in other centrally sponsored schemes of MOHUA, floor rates for property tax in ULBs in consonance with the prevailing circle rate with a system to increase in floor rates in line with price increase need to be notified.

2. Accordingly, the notification no. 3/1/21-1lg3/350/1 and 3/2/21-1lg3/351/1 dated 14th February, 2021/ 26th April, 2021 was issued, wherein the floor rates of property tax is given in para no. (1) regarding 1. Residential Houses 2. Residential Flats 3. Commercial Building including Restaurants (except multiplexes malls, marriage palaces) 4. Multiplexes Mall etc. 5. Marriage Palaces 6. Industrial Building including Building of Government Undertakings Board or including Community, Halls/ Centres, Sport Stadiums, Social Club, Bus Stands, Golf Clubs and such like buildings used for public purposes.

3. The para (5) of the said notification dated 14th February, 2021 is as under :-

“Tax rates to increased by 5% annually and to be reviewed every 3 years to further rationalize based on the fresh collector rates. This shall be effective from the year 2021-22”

4. Therefore, the Government has decided to increase the property tax rates by increasing 5% for the FY 2025-26 which shall be effective from 1st April 2025 and shall be applicable to the Municipal Corporations/ Municipal Council/ Nagar Panchayat in the State of Punjab.

5. This is issued as per the approval accorded by the competent authority.

Chandigarh
The 29th May, 2025

TEJVEER SINGH, IAS
Additional Chief Secretary to Govt. of Punjab
Department of Local Government